

BROWNSTEIN HYATT FARBER SCHRECK, LLP  
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*PRO HAC VICE*

Attorneys for Defendant KEVIN CARSON

**UNITED STATES DISTRICT COURT  
DISTRICT OF NEVADA**

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

PRIME STAR GROUP, INC., ROGER  
MOHLMAN, DANNY COLON,  
MARYSOL MORERA, FELIX RIVERA,  
DC INTERNATIONAL CONSULTING  
LLC, KEVIN CARSON, ESPER  
GULLATT, JR., THE STONE  
FINANCIAL GROUP, INC. and JOSHUA  
KONIGSBERG

Defendants.

Case No. 2:12-cv-00371-KJD-GWF

**DEFENDANT KEVIN CARSON'S  
ANSWER TO COMPLAINT**

Defendant Kevin Carson ("Carson"), by his attorney Randy Zelin of the law firm Moritt Hock & Hamroff LLP who has been admitted to practice in this court *pro hac vice*, and by and through local counsel Jeffrey S. Rugg of the law firm Brownstein Farber Hyatt Schreck LLP answers the complaint of plaintiff Securities and Exchange ("SEC") dated March 7, 2012 (the "Complaint"), and respectfully alleges:

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1           1.       Denies knowledge and information sufficient to form a belief as to the truth of the  
2       allegations contained in Paragraph 1 of the complaint, except denies any wrongdoing;

3           2.       Denies the allegations contained in sufficient to form a belief as to the truth of the  
4       allegations contained in Paragraph 2 of the complaint; except denies any wrongdoing;

5           3.       Denies knowledge and information sufficient to form a belief as to the truth of the  
6       allegations contained in Paragraph 3 of the complaint; except denies any wrongdoing;

7           4.       Denies the allegations contained in Paragraph 4 of the complaint;

8           5.       Denies any basis for the relief sought in Paragraph 5 of the complaint, and denies  
9       any wrongdoing;

10          6.       Denies knowledge and information sufficient to form a belief as to the truth of the  
11       allegations contained in Paragraph 6 of the complaint; except specifically denies any wrongdoing;

12          7.       Denies knowledge and information sufficient to form a belief as to the truth of the  
13       allegations contained in Paragraph 7 of the complaint;

14          8.       Denies knowledge and information sufficient to form a belief as to the truth of the  
15       allegations contained in Paragraph 8 of the complaint;

16          9.       Denies knowledge and information sufficient to form a belief as to the truth of the  
17       allegations contained in Paragraph 9 of the complaint;

18          10.       Denies knowledge and information sufficient to form a belief as to the truth of the  
19       allegations contained in Paragraph 10 of the complaint;

20          11.       Denies knowledge and information sufficient to form a belief as to the truth of the  
21       allegations contained in Paragraph 11 of the complaint;

22          12.       Admits the allegations contained in Paragraph 12 of the complaint; except that the  
23       terms “self employed” and “consultant” are legal terms, and begs leave of court for a  
24       determination as to the legal force and effect of these terms;

25          13.       Denies knowledge and information sufficient to form a belief as to the truth of the  
26       allegations contained in Paragraph 13 of the complaint;

27          14.       Denies knowledge and information sufficient to form a belief as to the truth of the  
28       allegations contained in Paragraph 14 of the complaint;

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1           15.     Denies knowledge and information sufficient to form a belief as to the truth of the  
2     allegations contained in Paragraph 15 of the complaint;

3           16.     Denies knowledge and information sufficient to form a belief as to the truth of the  
4     allegations contained in Paragraph 16 of the complaint;

5           17.     Denies knowledge and information sufficient to form a belief as to the truth of the  
6     allegations contained in Paragraph 17 of the complaint; except denies any wrongdoing;

7           18.     Denies knowledge and information sufficient to form a belief as to the truth of the  
8     allegations contained in Paragraph 18 of the complaint; except admits that Carson did enter into  
9     an agreement, and begs leave of court to refer to its precise terms, legal force and effect, and  
10    denies any wrongdoing;

11          19.     Denies knowledge and information sufficient to form a belief as to the truth of the  
12    allegations contained in Paragraph 19 of the complaint; except denies any wrongdoing;

13          20.     Denies knowledge and information sufficient to form a belief as to the truth of the  
14    allegations contained in Paragraph 20 of the complaint; except denies any wrongdoing;

15          21.     Denies knowledge and information sufficient to form a belief as to the truth of the  
16    allegations contained in Paragraph 21 of the complaint; except denies any wrongdoing;

17          22.     Denies knowledge and information sufficient to form a belief as to the truth of the  
18    allegations contained in Paragraph 22 of the complaint; except denies any wrongdoing;

19          23.     Denies knowledge and information sufficient to form a belief as to the truth of the  
20    allegations contained in Paragraph 23 of the complaint; except denies any wrongdoing;

21          24.     Denies knowledge and information sufficient to form a belief as to the truth of the  
22    allegations contained in Paragraph 24 of the complaint; except denies any wrongdoing;

23          25.     Denies knowledge and information sufficient to form a belief as to the truth of the  
24    allegations contained in Paragraph 25 of the complaint; except denies any wrongdoing;

25          26.     Denies knowledge and information sufficient to form a belief as to the truth of the  
26    allegations contained in Paragraph 26 of the complaint; except denies any wrongdoing;

27          27.     Denies knowledge and information sufficient to form a belief as to the truth of the  
28    allegations contained in Paragraph 27 of the complaint; except admits receiving compensation in

1 the form of shares of stock in consideration for legitimate and lawful services to be performed;  
2 denies any wrongdoing;

3 28. Denies knowledge and information sufficient to form a belief as to the truth of the  
4 allegations contained in Paragraph 28 of the complaint; denies any wrongdoing;

5 29. Denies knowledge and information sufficient to form a belief as to the truth of the  
6 allegations contained in Paragraph 29 of the complaint; except admits that Carson did enter into  
7 an agreement, and begs leave of court to refer to its precise terms, legal force and effect, and  
8 denies any wrongdoing;

9 30. Denies knowledge and information sufficient to form a belief as to the truth of the  
10 allegations contained in Paragraph 30 of the complaint; except denies any wrongdoing;

11 31. Denies knowledge and information sufficient to form a belief as to the truth of the  
12 allegations contained in Paragraph 31 of the complaint; except admits: (a) receiving  
13 compensation in the form of shares of stock in consideration for legitimate and lawful services to  
14 be performed; (b) depositing those shares with a broker-dealer; (c) selling those shares lawfully;  
15 except denies any wrongdoing;

16 32. Denies knowledge and information sufficient to form a belief as to the truth of the  
17 allegations contained in Paragraph 32 of the complaint; denies any wrongdoing;

18 33. Denies knowledge and information sufficient to form a belief as to the truth of the  
19 allegations contained in Paragraph 33 of the complaint; denies any wrongdoing;

20 34. Denies knowledge and information sufficient to form a belief as to the truth of the  
21 allegations contained in Paragraph 34 of the complaint; denies any wrongdoing;

22 35. Denies knowledge and information sufficient to form a belief as to the truth of the  
23 allegations contained in Paragraph 35 of the complaint; except admits: (a) receiving  
24 compensation in the form of shares of stock in consideration for legitimate and lawful services to  
25 be performed; (b) depositing those shares with a broker-dealer; (c) selling those shares lawfully;  
26 except denies any wrongdoing;

27 36. Denies knowledge and information sufficient to form a belief as to the truth of the  
28 allegations contained in Paragraph 36 of the complaint; denies any wrongdoing;

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1           37.     Denies knowledge and information sufficient to form a belief as to the truth of the  
2     allegations contained in Paragraph 37 of the complaint; denies any wrongdoing;

3           38.     Denies knowledge and information sufficient to form a belief as to the truth of the  
4     allegations contained in Paragraph 38 of the complaint; denies any wrongdoing;

5           39.     Denies knowledge and information sufficient to form a belief as to the truth of the  
6     allegations contained in Paragraph 39 of the complaint; denies any wrongdoing;

7           40.     Denies knowledge and information sufficient to form a belief as to the truth of the  
8     allegations contained in Paragraph 40 of the complaint; denies any wrongdoing;

9           41.     Denies knowledge and information sufficient to form a belief as to the truth of the  
10    allegations contained in Paragraph 41 of the complaint; denies any wrongdoing;

11          42.     Denies knowledge and information sufficient to form a belief as to the truth of the  
12    allegations contained in Paragraph 42 of the complaint; denies any wrongdoing;

13          43.     Denies knowledge and information sufficient to form a belief as to the truth of the  
14    allegations contained in Paragraph 43 of the complaint; denies any wrongdoing;

15          44.     Denies knowledge and information sufficient to form a belief as to the truth of the  
16    allegations contained in Paragraph 44 of the complaint; denies any wrongdoing;

17          45.     Denies knowledge and information sufficient to form a belief as to the truth of the  
18    allegations contained in Paragraph 45 of the complaint; denies any wrongdoing;

19          46.     Denies knowledge and information sufficient to form a belief as to the truth of the  
20    allegations contained in Paragraph 46 of the complaint; denies any wrongdoing;

21          47.     Denies knowledge and information sufficient to form a belief as to the truth of the  
22    allegations contained in Paragraph 47 of the complaint; denies any wrongdoing;

23          48.     Denies knowledge and information sufficient to form a belief as to the truth of the  
24    allegations contained in Paragraph 48 of the complaint; denies any wrongdoing;

25          49.     Denies knowledge and information sufficient to form a belief as to the truth of the  
26    allegations contained in Paragraph 49 of the complaint; denies any wrongdoing;

27          50.     Denies knowledge and information sufficient to form a belief as to the truth of the  
28    allegations contained in Paragraph 50 of the complaint; denies any wrongdoing;

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1           51.     Denies knowledge and information sufficient to form a belief as to the truth of the  
2     allegations contained in Paragraph 51 of the complaint; denies any wrongdoing;

3           52.     Denies knowledge and information sufficient to form a belief as to the truth of the  
4     allegations contained in Paragraph 52 of the complaint; denies any wrongdoing;

5           53.     Denies knowledge and information sufficient to form a belief as to the truth of the  
6     allegations contained in Paragraph 53 of the complaint; denies any wrongdoing;

7           54.     Denies knowledge and information sufficient to form a belief as to the truth of the  
8     allegations contained in Paragraph 54 of the complaint; except denies any wrongdoing;

9           55.     Denies knowledge and information sufficient to form a belief as to the truth of the  
10    allegations contained in Paragraph 55 of the complaint; except denies any wrongdoing;

11          56.     Repeats, reiterates and realleges each and every allegation statement in answer to  
12    the allegations contained in Paragraph s 1 through 55 of the complaint as if more fully set forth at  
13    length herein;

14          57.     Denies knowledge and information sufficient to form a belief as to the truth of the  
15    allegations contained in Paragraph 57 of the complaint; except denies any wrongdoing;

16          58.     Denies knowledge and information sufficient to form a belief as to the truth of the  
17    allegations contained in Paragraph 58 of the complaint; except denies any wrongdoing;

18          59.     Denies the allegations contained in Paragraph 59 of the complaint;

19          60.     Repeats, reiterates and realleges each and every allegation statement in answer to  
20    the allegations contained in Paragraph s 1 through 60 of the complaint as if more fully set forth at  
21    length herein;

22          61.     Denies knowledge and information sufficient to form a belief as to the truth of the  
23    allegations contained in Paragraph 61 of the complaint; except denies any wrongdoing;

24          62.     Denies knowledge and information sufficient to form a belief as to the truth of the  
25    allegations contained in Paragraph 62 of the complaint; except denies any wrongdoing;

26          63.     Repeats, reiterates and realleges each and every allegation statement in answer to  
27    the allegations contained in Paragraph s 1 through 62 of the complaint as if more fully set forth at  
28    length herein;

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64. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 64 of the complaint; except denies any wrongdoing;

65. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 65 of the complaint; except denies any wrongdoing;

66. Repeats, reiterates and realleges each and every allegation statement in answer to the allegations contained in Paragraph s 1 through 65 of the complaint as if more fully set forth at length herein;

67. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 67 of the complaint; except denies any wrongdoing;

68. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 68 of the complaint; except denies any wrongdoing;

69. Repeats, reiterates and realleges each and every allegation statement in answer to the allegations contained in Paragraph s 1 through 68 of the complaint as if more fully set forth at length herein;

70. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 70 of the complaint; specifically denies any wrongdoing;

71. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 71 of the complaint; except denies any wrongdoing;

72. Repeats, reiterates and realleges each and every allegation statement in answer to the allegations contained in Paragraph s 1 through 71 of the complaint as if more fully set forth at length herein;

73. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 73 of the complaint; except denies any wrongdoing;

74. Repeats, reiterates and realleges each and every allegation statement in answer to the allegations contained in Paragraph s 1 through 73 of the complaint as if more fully set forth at length herein;

75. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 75 of the complaint; except denies any wrongdoing;



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1           76.     Denies knowledge and information sufficient to form a belief as to the truth of the  
2     allegations contained in Paragraph 76 of the complaint; except denies any wrongdoing;

3           77.     Denies knowledge and information sufficient to form a belief as to the truth of the  
4     allegations contained in Paragraph 77 of the complaint; except denies any wrongdoing;

5           78.     Repeats, reiterates and realleges each and every allegation statement in answer to  
6     the allegations contained in Paragraph s 1 through 77 of the complaint as if more fully set forth at  
7     length herein;

8           79.     Denies knowledge and information sufficient to form a belief as to the truth of the  
9     allegations contained in Paragraph 79 of the complaint; except denies any wrongdoing;

10          80.     Repeats, reiterates and realleges each and every allegation statement in answer to  
11     the allegations contained in Paragraph s 1 through 79 of the complaint as if more fully set forth at  
12     length herein;

13          81.     Denies knowledge and information sufficient to form a belief as to the truth of the  
14     allegations contained in Paragraph 81 of the complaint; except denies any wrongdoing;

15          82.     Denies knowledge and information sufficient to form a belief as to the truth of the  
16     allegations contained in Paragraph 82 of the complaint; except denies any wrongdoing;

17          83.     Denies knowledge and information sufficient to form a belief as to the truth of the  
18     allegations contained in Paragraph 83 of the complaint; except denies any wrongdoing;

19          84.     Repeats, reiterates and realleges each and every allegation statement in answer to  
20     the allegations contained in Paragraph s 1 through 83 of the complaint as if more fully set forth at  
21     length herein;

22          85.     Denies knowledge and information sufficient to form a belief as to the truth of the  
23     allegations contained in Paragraph 85 of the complaint; except denies any wrongdoing;

24          86.     Repeats, reiterates and realleges each and every allegation statement in answer to  
25     the allegations contained in Paragraph s 1 through 85 of the complaint as if more fully set forth at  
26     length herein;

27          87.     Denies knowledge and information sufficient to form a belief as to the truth of the  
28     allegations contained in Paragraph 87 of the complaint (and there appears to be a typographical



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error); specifically denies any wrongdoing;

88. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 88 of the complaint; except denies any wrongdoing;

89. Repeats, reiterates and realleges each and every allegation statement in answer to the allegations contained in Paragraph s 1 through 88 of the complaint as if more fully set forth at length herein;

90. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 90 of the complaint; except denies any wrongdoing;

91. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 91 of the complaint; except denies any wrongdoing;

92. Denies the allegations contained in Paragraph 92 of the complaint; except denies any wrongdoing;

93. Repeats, reiterates and realleges each and every allegation statement in answer to the allegations contained in Paragraph s 1 through 92 of the complaint as if more fully set forth at length herein;

94. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 94 of the complaint; except denies any wrongdoing;

95. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 95 of the complaint; except denies any wrongdoing;

96. Repeats, reiterates and realleges each and every allegation statement in answer to the allegations contained in Paragraph s 1 through 95 of the complaint as if more fully set forth at length herein;

97. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 97 of the complaint; except denies any wrongdoing;

98. Denies knowledge and information sufficient to form a belief as to the truth of the allegations contained in Paragraph 98 of the complaint; except denies any wrongdoing;

99. With respect to the "Relief Requested", Carson respectfully seeks an order:

a. Declaring, determining and finding that Carson did not commit the violations

of the federal securities laws alleged in the complaint;

b. Denying the issuance of a permanent injunction as against Carson;

c. Finding that no civil penalty should be paid by Carson;

100. Finding that no "Penny Stock Bar" should be issued as against Carson;

**FOR A FIRST AFFIRMATIVE DEFENSE**

1. The SEC's claims are barred in whole or in part to the extent that the complaint fails to state a cause of action against Carson for which relief may be granted to plaintiff;

**FOR A SECOND AFFIRMATIVE DEFENSE**

2. Carson has no liability as he did not knowingly nor willfully violate any federal securities laws.

**FOR A THIRD AFFIRMATIVE DEFENSE**

3. Carson, at all times, acted in good faith, and did not know; nor in the exercise of reasonable care could he have known, of any alleged violations of federal securities laws committed by others..

**FOR A FOURTH AFFIRMATIVE DEFENSE**

4. At no time did Carson act with the requisite intent to deceive, manipulate or defraud anyone.

**DEMAND FOR JURY TRIAL**

5. Trial by jury is respectfully demanded pursuant to Rule 38 of the Federal Rules of Civil Procedure.

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**RESERVATION OF RIGHTS**

Carson respectfully reserves the right to allege additional defenses and/or affirmative defenses to the extent same becomes known during the course of discovery, and further respectfully reserves the right to amend his answer as a matter of right, or with leave of court, to allege such additional defenses and/or affirmative defenses.

DATED this 18th day of May, 2012      Respectfully submitted,

BROWNSTEIN HYATT FARBER SCHRECK, LLP

By: /s/ Jeffrey S. Rugg  
Jeffrey S. Rugg (Nevada Bar No. 10978)  
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**CERTIFICATE OF SERVICE**

Pursuant to Fed.R.Civ.P.5(b), and Section IV of District of Nevada Electronic Filing Procedures, I certify that I am an employee of Brownstein Hyatt Farber Schreck, LLP, and that a true and correct copy of **DEFENDANT KEVIN CARSON'S ANSWER TO THE COMPLAINT** was served via electronic service, via CM/ECF, on this 18<sup>th</sup> day of May, 2012, and to the address(es) shown below:

**Edward D. McCutcheon**  
Securities and Exchange  
Commission  
801 Brickell Avenue  
Miami, FL 33131  
305-982-6380  
305-536-4154 (fax)  
mccutcheone@sec.gov

representing **Securities and Exchange  
Commission  
(Plaintiff)**

**Blaine T Welsh**  
U.S. Attorney's Office  
333 Las Vegas Blvd So  
Suite 5000  
Las Vegas, NV 89101-  
Blaine.Welsh@usdoj.gov  
*Assigned: 03/07/2012*  
**LEAD ATTORNEY**  
**ATTORNEY TO BE NOTICED**

**Defendants**

**Esper Gullatt, Jr.**

represented by **Esper Gullatt, Jr.**  
17532 E. Dickenson Place  
Aurora, CO 80013  
720-297-8335  
PRO SE

**The Stone Financial Group, Inc.**

represented by **The Stone Financial Group, Inc.**  
c/o Esper Gullatt  
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PRO SE

/s/ Karen Mandall  
an employee of Brownstein Hyatt Farber Schreck, LLP